


Safe, Clean Water and Natural Flood Protection Program

# Independent Monitoring Committee

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February 14, 2018

To: Santa Clara Valley Water District Board of Directors,

The Independent Monitoring Committee (IMC) is pleased to present its fourth annual report of its review of the *Safe, Clean Water and Natural Flood Protection Program* (SCW) Fiscal Year (FY) 2016-2017 to the Board.

The IMC consists of members of the public appointed by the Board. Its annual report is intended to add further transparency and public accountability to the implementation of the SCW program. The IMC reviews the SCW annual report after it has been presented to and accepted by the Board. The IMC report looks back at the prior year to ensure that funds from SCW are spent according to the voter approved priorities identified in Measure B and that projects are moving forward in a timely manner. The IMC understands the importance of its role and is committed to a thoughtful and thorough review of the SCW program annual report. The IMC's findings also include recommendations to help meet the priorities of the program within the approved budget. Its report is presented he Board and is available to the public.

The IMC met on December 6, 2017 to begin its fourth annual SCW review process and agreed to continue the subcommittee reporting process and re-elected the Chair and Vice Chair. In response to requests by the IMC, District staff presented information regarding the Audit Report conducted by Moss Adams; United States Army Corps of Engineers partnership projects; and an update on the 2017 flood event on Coyote Creek and subsequent project modification. The IMC also welcomed three new committee members.

Subcommittees met with District staff during the first half of January 2018 and presented the findings to the IMC as a whole on January 24, 2018. At the suggestion and urging of the Chair, subcommittee members were encouraged to volunteer for a new subcommittee to bring new, fresh eyes to the review process. IMC members agreed that Chairs of each subcommittee led by the Chair of the IMC draft the fourth IMC report to the Board. The draft report was presented to the IMC as a whole on February 14, 2018 for final review and approval.

The IMC recommendations regarding the information provided in the SCW annual report continue to refine and improve the report, to standardize information, and provide further details in a way intended to be easily understood by the public. As in our prior reports, IMC comments and recommendations for each individual project are included in the attached document.

The IMC would like to let the Board know that while most of our comments and recommendations directed to the SCW FY 2016-2017 report are minor suggestions for improving the clarity of the report we had lengthy discussions on the following:

- Due to low demand for the Nitrate System Rebate Program, the IMC recommends the Board reevaluate this project and possibly reallocate all or a portion of these funds to other projects.

- The IMC recommends that staff provide more information about how the data collected in Project C2 (Emergency Response Upgrades) will be incorporated in Project E2 (Emergency Response Planning).

The IMC would also like to call special attention to the following:

- Project B4 - Good Neighbor Program: Encampment Cleanup. The high demand from cities and the community for encampment cleanups in the first four years severely impacted the long-term project budget. At the current level of demand, there will not be funding beyond FY 2018-2019 through the SCW program. On May 15, 2017, the Homeless Encampment Ad Hoc Committee recommended that beginning in FY 2019-2020, up to 90% of the net rental income from properties purchased through Watersheds (Fund 12) be used to fund Project B4 through FY 2027-2028. The Board of Directors approved this recommendation on August 8, 2017. Given the continued high demand for encampment cleanups, the IMC recognizes that the District may need to continue to explore other additional funding options for this project.

- Project E1 – Vegetation Control and Sediment Removal for Flood Protection (page 98 of the SCW report). While we commonly refer to the program as "Safe, Clean Water," the full name includes "and Natural Flood Protection." The work done by the District to remove sediment at 17 sites along 12 creeks prior to the heavy rains of FY 2016-2017 maintained the flood conveyance capacity and prevented more extensive flooding.

- Watersheds Capital Projects: The IMC recognizes that there are projects with KPIs that allow for local-funding-only and preferred projects, which require federal funding. If a decision is made to proceed without federal funding, this should be clearly communicated. The IMC suggests that the District continue to communicate with the public and keep them as well informed as possible.

We would also like to commend District staff for continuing to move projects forward, while adjusting to the unpredictable challenges brought by severe drought, followed by catastrophic flood, significant homeless encampments, uncertain federal funding, and new statutes and regulations.

With its review of the Safe, Clean Water and Natural Flood Protection Program FY 2016-2017 complete, the IMC finds that funds from Measure B are being spent in accordance with the voter approved priorities identified in the measure and that the District is acting responsibly to ensure projects move forward in a timely manner. We would like to thank District staff for the support they give the IMC. The review of each project by the subcommittees are thorough and subcommittee members ask very detailed questions. The answers provided by staff help the IMC craft suggestions designed to improve the clarity of the yearly report.

We thank the Board for the support they have shown our past recommendations and we look forward to returning next year.

Sincerely,

Kathleen Sutherland, Chair
Independent Monitoring Committee

Attachments: Challenges, Concerns and IMC General Recommendations
IMC Fiscal Year 2016-2017 Annual Report

cc: Independent Monitoring Committee Members

# Challenges, Concerns and IMC General Recommendations
# Fiscal Year 2016-2017

*Challenges and concerns regarding Permitting, Partnerships and Climatic Extremes will likely continue throughout the life of the Safe, Clean Water and Natural Flood Protection Program (SCW) and will continue to be included in this section. This year (2016-2017) the IMC recommends adding "New Statutes and Regulations" to the General Recommendations.*

**Permitting**

- The majority of capital projects in the Annual Report require permits from other agencies and obtaining these permits in a timely manner can be a challenge. Permit delays can delay projects, increase construction costs and erode the public's trust.

**Capital Funding Partnerships**

- Large capital projects cannot be funded solely by the District and can rely heavily on funds from outside agencies. There are two areas which can prove challenging to the successful completion of these types of projects. Funding from outside agencies is not always guaranteed nor is it always delivered at the projected time.

**Climatic Extremes – Drought and Flood**

- A prolonged drought can have continued impacts over a long period of time. Impacts from a flood are immediate and require an immediate response. Climatic extremes of drought and flood will impact staffing and budgets.

**New Statutes and Regulations**

- The IMC recommends the SCW report acknowledge that new statutes and regulations may change the scope and cost of a project in the 15-year program, affecting large and small projects alike. Examples are Anderson Dam (spillway evaluation requirements) and the pharmaceutical grant project.

**Financial Information per Project**

- If not already included, the IMC recommends providing explanation for any project budget that is either over or under by more than 5% of the annual budgeted amount to ensure transparency.

# IMC Recommendations - Annual Report Format
# Fiscal Year 2016-2017

**Status**

- For projects with a current or previous status of "Adjusted," the IMC recommends adding a footnote in the Status History table to state the type of adjustment made (i.e. schedule, budget, etc.).

**Confidence Levels – Jurisdictional Complexity**

- Add "See Appendix D."

**Appendix A – Annual Financial Summary**

- Page A-1, Project A-1 Main Avenue and Madrone Pipelines Restoration: The IMC recommends adding a footnote to clarify that any amount over $6.3 Million will be funded through the Water Utility Enterprise fund.

**Glossary**

- Include a copy of the glossary from Appendix A of the 5 Year Implementation Plan with a tab within Appendices.

**Regional Water Quality Control Board (RWQCB)**

- For projects under the jurisdiction of either the San Francisco Bay or Central Coast RWQCB, identify the responsible RWQCB for clarity and to provide better information about the project partner.

**Priority E: Provide Flood Protection to Homes, Businesses, Schools and Highways**

- The IMC recommends including language in the Priority E description that addresses the multi-benefit approach to flood protection projects, which includes incorporating water quality, water supply, environmental stewardship, and recreational enhancement benefits into capital flood protection projects, when possible.

**Board resolution and Safe, Clean Water ballot language**

- The IMC recommends a link to the Board resolution and SCW ballot language be added to the SCW webpage and as a link in the Annual Report.

## Additional IMC Support
## Fiscal Year 2016-2017

The IMC requests that the District:

- Continue to provide opportunities for IMC members to visit projects to obtain a clearer understanding of SCW Projects.
- Provide presentations at the December 2018 IMC meeting regarding:
    - The Good Neighbor Encampment Cleanup (Project B4) funding plan to address the funding shortfall.
    - The new grants management system and process.
    - The 5-Year Implementation Plan for Fiscal Years 2019-2023.
- Develop and provide an orientation plan for new IMC members. This year we welcomed three new IMC members who would likely have benefitted from an opportunity to meet with the IMC District staff and committee members outside of the official IMC meetings. Staff and committee members could provide information about their role to help new members better understand the best way to make meaningful contributions.




# Independent Monitoring Committee
# Fiscal Year 2016-2017 Annual Report
# Priority A
# Ensure a Safe, Reliable Water Supply

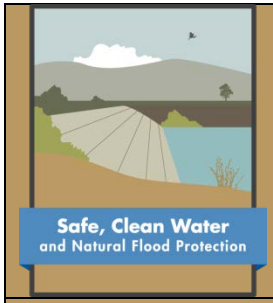
| Project: | | Status: | Comment: |
|---|---|---|---|
| A1 | Main Avenue and Madrone Pipelines Restoration | On Target | IMC agrees with project status.<br>Recommendation is:<br>• In the FY17 Annual Report, in Appendix A-2, correct footnote #2 to reflect the amount of $11.4 million. |
| A2 | Safe, Clean Water Partnerships and Grants | On Target | IMC agrees with project status.<br>Recommendations are:<br><u>Water Conservation Grant Program</u><br>• In the FY17 Annual Report, in Table A2.1, correct the project description for Ecology Action's Every Drop Counts project.<br>• In the FY18 Annual Report, highlight the long-term benefits of the pilot programs to the District's programs (e.g. Advanced Metering Infrastructure).<br><u>Water to Go (Hydration Station) Grant Program</u><br>• Inquire with the schools about the long-term maintenance costs of the Water to Go stations.<br>• In the FY18 Annual Report,<br>o Include a summary of the survey results from the Water to Go grants and highlight the benefits of the program.<br>o Clarify that in the original Safe, Clean Water program text, the program is called the hydration station grant program, but now it is called the Water to Go grant program.<br>• The program appears to be successful. Depending on the survey results, the Board should consider allocating additional funds to this project.<br><u>Nitrate Treatment System Rebate Program</u><br>• Despite substantial outreach, the demand for this rebate program remains very low. Suggest considering re-allocating the funds to other projects, such as the Water to Go grant program. |

| Project: | | Status: | Comment: |
|---|---|---|---|
| A3 | Pipeline Reliability Project | Scheduled to Start in FY 2019 | IMC agrees with project status.<br>No recommendations. |

**Independent Monitoring Committee**
**Fiscal Year 2016-2017 Annual Report**
**Priority B**
**Reduce Toxins, Hazards and Contaminants in our Waterways**

| Project: | | Status: | Comment: |
|---|---|---|---|
| B1 | Impaired Water Bodies Improvement | On Target | IMC agrees with status.<br>Recommendations are:<br>• In the FY18 Annual Report,<br>o Further explain why the 10 creeks referenced in the KPI have not been identified in the Pollution Prevention Prioritization Plan.<br>o Change the name of Pollution Prevention Activity #1 from "Trash Accumulation Point Mapping" to "Trash Accumulation Point Mapping and Removal."<br>o Explain the maintenance and troubleshooting issues with the different systems.<br>General Statement:<br>• The IMC appreciates the acknowledgement of the positive recognition that the District is receiving from the San Francisco Regional Water Quality Control Board for the operation and maintenance of oxygenation treatment systems in 4 reservoirs and would like to see that continue to be highlighted in future annual reports. |
| B2 | Interagency Urban Runoff Program | On Target | IMC agrees with status.<br>Recommendations are:<br>• In the FY18 Annual Report,<br>o Explain in greater detail how the Safe, Clean Water funds are used in conjunction with other funds for the SCVURPPP local share for the Proposition 1 grant.<br>o Mention the B1 Pollution Prevention Prioritization Plan for KPI #3 under B2 and explain how they are linked.<br>o In the Highlights Box, include "all cities and the County" in the second bullet point to clarify that the District maintains multiple partnerships with all jurisdictions in Santa Clara County. |

| Project: | | Status: | Comment: |
|---|---|---|---|
| B3 | Pollution Prevention Partnerships and Grants | On Target | IMC agrees with status.<br>Recommendations are:<br>• In the FY17 Annual Report, in Appendix C-3, add "County" to the project description for the Silicon Valley Senior Services grant.<br>• In the FY18 Annual Report, for the Secure Pharmaceutical Collection Bin Expansion Project, add clarifying language that pharmaceutical companies chose not to work with the grantee, but instead to pursue their own compliance program. |
| B4 | Good Neighbor Program: Encampment Cleanup | On Target | IMC agrees with status.<br>Recommendation is:<br>• In the FY18 Annual Report, change the footnote on Graph B 4.2 to reference "combined cleanups" on Coyote Creek, instead of "large scale clean up." |
| B5 | Hazardous Materials Management and Response | On Target | IMC agrees with status.<br>No recommendations. |
| B6 | Good Neighbor Program: Remove Graffiti and Litter | On Target | IMC agrees with status.<br>No recommendations. |
| B7 | Support Volunteer Cleanup Efforts and Education | On Target | IMC agrees with status.<br>Recommendations are:<br>• In the FY18 Annual Report,<br>o Include the dates of the volunteer creek cleanup events in the text.<br>o Include the link to the virtual map of volunteer cleanup sites in the text and Project Highlights Box.<br>General Statement:<br>• The IMC recognizes that because of higher than anticipated grant allocations in the early years of the Safe, Clean Water Program, Project B7 spent 34% of its funds within the first four years of the Program. Despite this, the IMC expects the project will meet its15-year Key Performance Indicators. |




# Independent Monitoring Committee
# Fiscal Year 2016-2017 Annual Report
# Priority C
# Protect our Water Supply from Earthquakes and Natural Disasters

| Project: | | Status: | Comment: |
|---|---|---|---|
| C1 | Anderson Dam Seismic Retrofit | Adjusted | IMC agrees with status.<br>Recommendation is:<br>• In the FY18 Annual Report, in the progress update, include information regarding the state mandate about "spillway condition assessment of all high hazard dams," issued in April 2017, and the potential impacts to the project. |
| C2 | Emergency Response Upgrades | On Target | IMC agrees with status.<br>Recommendations are:<br>• In the FY17 Annual Report, correct the typo on pg. 54 to "flood forecast."<br>• In the FY18 Annual Report,<br>o Explain what worked well and what did not during the February 2017 flooding.<br>o Include and clarify the linkage between C2 Emergency Response Upgrades and E2 Emergency Response Planning.<br>o Document the decision to rely on the National Weather Service data, rather than duplicate the forecast point on Coyote Creek, since Coyote Creek was listed as a location in the FY2014-2018 5-Year Implementation Plan. |




# Independent Monitoring Committee
# Fiscal Year 2016-2017 Annual Report
# Priority D
# Restore Wildlife Habitat and Provide Open Space

| Project: | | Status: | Comment: |
|---|---|---|---|
| D1 | Management of Revegetation Projects | On Target | IMC agrees with status.<br>Recommendation is:<br>• For the FY18 Annual Report, clarify that the total composition of the 300 acres referenced in the KPI changes over time due to projects starting, maturing, and ending. |
| D2 | Revitalize Stream, Upland and Wetland Habitat | On Target | IMC agrees with status.<br>No recommendations. |
| D3 | Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails | On Target | IMC agrees with status.<br>Recommendation is:<br>• For the FY18 Annual Report, specify that the mini-grants are up to $5,000 each. |
| D4 | Fish Habitat and Passage Improvement | Adjusted | IMC agrees with status.<br>Recommendation is:<br>• For future annual reports, highlight the relationship with pre-established programs, such as the Fish and Aquatic Habitat Collaborative Effort (FAHCE), to make them more apparent. |
| D5 | Ecological Data Collection and Analysis | On Target | IMC agrees with status.<br>No recommendations. |
| D6 | Creek Restoration and Stabilization | On Target | IMC agrees with status.<br>Recommendation is:<br>• For the FY18 Annual Report, include a link to background information on geomorphic conditions described in the project write-up. |
| D7 | Partnerships for the Conservation of Habitat Lands | On Target | IMC agrees with status.<br>Recommendation is:<br>• For the FY18 Annual Report, include the criteria, or a link to the criteria, that is part of the Board approved criteria for suitable partnerships. |

| Project: | | Status: | Comment: |
|---|---|---|---|
| D8 | South Bay Salt Ponds Restoration Partnership | Adjusted | IMC agrees with status.<br>No recommendations. |

**Independent Monitoring Committee**
**Fiscal Year 2016-2017 Annual Report**
**Priority E**
**Provide Flood Protection to Homes, Businesses, Schools and Highways**

| Project: | | Status: | Comment: |
|---|---|---|---|
| E1 | Vegetation Control and Sediment Removal for Flood Protection | On Target | IMC agrees with status.<br>Recommendations are:<br>• In the FY18 Annual Report,<br>o For Project E1.2: Sediment Removal, provide an explanation of the linkage with Project D8: South Bay Salt Ponds Restoration Partnership.<br>o Highlight the positives and how the sediment removal helps to minimize flooding. |
| E2 | Emergency Response Planning | On Target | IMC agrees with status.<br>Recommendation is:<br>• Include and clarify the linkage between E2 Emergency Response Planning and C2 Emergency Response Upgrades. |
| E3 | Flood Risk Reduction Studies | On Target | IMC agrees with status.<br>Recommendations are:<br>• In the FY17 Annual Report, make a correction to the text of the Progress on KPI #2 to read "levees would completely fail in the hydraulic analysis."<br>• In the FY18 Annual Report, explain the benefits of the maps beyond flood insurance. For example, for risk management and land use guidance. |
| E4 | Upper Penitencia Creek Flood Protection Coyote Creek to Dorel Drive – San José | On Target | IMC agrees with status.<br>Recommendations are:<br>• In the FY18 Annual Report,<br>o Specify that the "state-of-the-art" model is HEC-RAS.<br>o Indicate that a Flood Control 2.0 "style" Landscape Concepts meeting was held. |

| Project: | | Status: | Comment: |
|---|---|---|---|
| E5 | San Francisquito Creek Flood Protection<br>San Francisco Bay to Middlefield Road – Palo Alto | On Target | IMC agrees with status.<br>Recommendations are:<br>• In the FY18 Annual Report,<br>o Bring back more information on the "significant" claims for the S.F. Bay to Highway 101 Project.<br>o For the Upstream of Highway 101 project, clarify any difference between the local-state-funding only and potential federal funding confidence levels. |
| E6 | Upper Llagas Creek Flood Protection<br>Buena Vista Avenue to Wright Avenue – Morgan Hill, San Martin, Gilroy | Adjusted | IMC agrees with status.<br>Recommendation is<br>• In the FY18 Annual Report, explain why Phase 1 and Phase 2 have combined confidence levels. |
| E7 | San Francisco Bay Shoreline Protection<br>Milpitas, Mountain View, Palo Alto, San José, Santa Clara and Sunnyvale | Adjusted | IMC agrees with status.<br>Recommendations are:<br>• In the FY18 Annual Report,<br>o In Opportunities and Challenges section under schedule adjustment, explain why the project was extended for 9 years and provide specific explanation by KPI #1 and KPI #2.<br>o For KPI #2, explain that the "initial project phase" is Economic Impact Area 11; define the "local share" and show how it is being met, possibly by utilizing a table to show that the KPI was met in the status update. |
| E8 | Upper Guadalupe River Flood Protection<br>Highway 280 to Blossom Hill Road – San José | On Target | IMC agrees with status.<br>No recommendations. |




# Independent Monitoring Committee
# Fiscal Year 2016-2017 Annual Report
# Other Capital Flood Protection Projects and Clean, Safe Creeks Grants Projects

| Project: | Status: | Comment: |
|---|---|---|
| Permanente Creek Flood Protection<br>San Francisco Bay to Foothill Expressway – Mountain View | On Target | IMC agrees with status.<br>No recommendations. |
| Sunnyvale East and Sunnyvale West Channel Flood Protection<br>San Francisco Bay to Inverness Way and Almanor Avenue – Sunnyvale | On Target | IMC agrees with status.<br>No recommendations. |
| Berryessa Creek Flood Protection<br>Calaveras Boulevard to Interstate 680 – Milpitas and San José | On Target | IMC agrees with status.<br>No recommendations. |
| Coyote Creek Flood Protection<br>Montague Expressway to Tully Road – San José | Modified | IMC agrees with status.<br>No recommendations. |
| Calabazas Creek Flood Protection<br>Miller Avenue to Wardell Road | Completed | IMC agrees with status.<br>No recommendations. |
| Clean, Safe Creeks Grants Projects | On Target | IMC agrees with status.<br>No recommendations. |